

# Acknowledging and Promoting Research Work in the Private Sector

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## The Reasons for a Law to Acknowledge and Promote Research Work in the Private Sector

Human Technopole, a leading technology park that will host 1,600 researchers. This is what the Expo site may be turned into, as put forward by the Italian Prime Minister, Matteo Renzi, on 10 November 2015. This is certainly good news, but is also another missed opportunity to recognise and promote research work in the private sector, particularly in legal and contractual terms. Indeed, a number of questions arise: Which type of contract will be used to recruit the 1,600 researchers mentioned above, especially overseas ones? Which options will they have in terms of career paths, remuneration and job satisfaction? Will they provide job or outplacement opportunities in the event of cessation or suspension of their working activity? Are there any economic incentives for companies that recruit researchers? Which labour laws will apply to researchers operating in business networks and industrial districts? Will it be possible to conduct research independently or on a project-by-project basis? Neither Italian legislation nor the 450 collective agreements concluded at national level make provisions for this special category of workers. In Italy, and certainly in less developed countries, the idea still prevails that research is linked to the pursuit of an academic career. However, a significant number of Italian companies carry out high-quality research in cooperation with innovative business networks and industrial districts which are as efficient as leading universities and research centres worldwide. They often collaborate actively, although informally, but only thanks to the patience and the determination of men and women of goodwill that compensate for the lack of an established system.

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It is the World Economic Forum<sup>1</sup> to remind us that the major changes underlying the new “great transformation of work” will take place over the next five years.

Without a well-defined strategy, we might face some serious consequences: technological unemployment, skills obsolescence, and a more pronounced mismatch between labour demand and supply. Demographic factors (aging, chronic diseases, and a general increase on the number and type of social risks, paired with decreasing financial sustainability due to low employment rates, high rates of inactivity, persisting high shares of undeclared work) exacerbate historical and structural inefficiencies in welfare, education, innovation and research systems. All the aspects referred to above are likely to place Italy and other European countries at a disadvantage globally.

Companies are evolving, moving from being “economic organisations” which are simply intended to produce or exchange goods and services, to genuine “learning organisations” that employ “hybrid” professionals, who can contribute to both research and changes to organisational and productive processes. Because of this great transformation, the mere fulfilment of tasks and orders that was the distinctive trait of the XX century is given less relevance. Similarly, mechanical and repetitive processes are hardly applied today, for they featured organisation and production patterns in place during Fordism and Taylorism.

By making workers’ skills and learning processes more flexible, researchers can play a pivotal role in meeting the needs of new markets, based on the interconnection of so-called “intelligent systems”. However, these systems are regarded as intelligent not so much for the amount of advanced technology implemented as for the involvement of people, forward thinkers and modern researchers who run them and promote their constant development.

Although research work can provide a significant contribution to innovation and development, researchers still occupy the grey area between industry and academia, a sort of “no man’s land”, which calls for actions on the part of public actors and the social partners at different institutional levels in order to acknowledge researchers’ work in the private sector and to promote possible strategies and closer cooperation between different areas of research and innovation.

First of all, a need arises to adequately recognize and promote workers’ special research skills that can be applied to a company’s innovation and development processes. Among them are those who with a doctoral degree or an equivalent qualification; staff who have obtained researcher status that is valid for legal and contractual purposes following completion of training as part of their

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<sup>1</sup>World Economic Forum (2015), *The future of jobs report*.

advanced-level apprenticeship contract for research purposes; staff employed in planning and research activities in innovative start-ups and certified business incubators; workers qualified as researchers in collective agreements concluded by the most representative trade unions at the national level; more generally, staff mostly engaged in the conception or creation of new knowledge, products, processes, methods and systems, irrespective of the employer's legal status, the economic sector, and applicable tax legislation.

A wide definition of what should be considered as research-related activity should also be adopted, encompassing all research, planning, and development activities, including those related to changes to work organization and staff management due to (or supporting) innovation in production or processes, or assessing their compliance with national legislation and their economic impact. Gaining, developing and promoting these skills is crucial, but presently this attempt is hindered by the lack of adequate systems to acknowledge them, also in terms of contractual arrangements, remuneration and career advancement.

Besides hampering skills recognition for access to work of researchers, the lack of a stable and coherent regulatory framework also gives rise to issues while they are in employment, considering their expositions to risks such as prolonged periods of unstable employment and financial distress. The European Charter for Researchers<sup>2</sup> stresses the importance to appreciate the multi-faceted role of researchers in performing their work and encourages Member States to improve their working conditions and opportunities for growth, especially in the early stage of their career. Further, the Charter encourages Member States to improve recruitment methods and career evaluation systems in order to create a more transparent, open, equal and internationally-accepted system of career development as prerequisites for a genuine European labour market for researchers.

Nevertheless, Europe has a relatively low number of researchers employed in the business sector, compared with the US and Japan<sup>3</sup>. An attempt to address the issue of researchers' professional recognition in the private sector has been pursued in France with the 2013 Law on higher education and research training<sup>4</sup>. Even if limited to the recognition of professional doctorates, Article 82 of the same law provides that post-graduate education must be valued when

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<sup>2</sup> COMMISSION RECOMMENDATION of 11 March 2005 on the European Charter for Researchers and on a Code of Conduct for the Recruitment of Researchers (2005/251/EC).

<sup>3</sup> Deloitte (on the behalf of) EUROPEAN COMMISSION - DG Research and Innovation, *Researchers' Report 2014* - Final Report.

<sup>4</sup> LOI n° 2013-660 du 22 juillet 2013 relative à l'enseignement supérieur et à la recherche, see it at <http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000027735009&dateTexte=20130730>

applying for a job in the private sector, giving it special recognition in the grading system in collective agreements.

In Italy, an attempt to promote the professional recognition of researchers has been promoted by ADAPT with the Draft bill on Acknowledging and Promoting Research Work in the Private Sector<sup>5</sup>. Italy lags behind especially if legislation and collective bargaining are considered. National lawmakers are yet to define the main elements (e.g. their inclusion in the employee grading system) for a coherent regulatory framework ensuring the recruitment and the promotion of researchers in the private sector. In view of the above, the draft bill is intended to fill these vacuums by dealing with the following aspects:

- acknowledging the status of researchers;
- identifying researchers' main characteristics and activities, delegating collective bargaining and special laws to lay down the requirements to determine when they can qualify as researchers.
- defining different types of researchers according to qualifications, experience and skills developed;
- delegating the regulation of the employment relationship to the contractual parties to carry out research in the private sector and making provisions for a number of exceptions to the applicable laws governing the recruitment of researchers;
- making sure that this law also applies to industrial districts, business networks, universities and research centres (either public or private) irrespective of their legal nature;
- making sure that special funds are made available to grant researchers unemployment benefits when they are made redundant or their contract is terminated on economic grounds;
- providing researchers with the opportunity to carry out research independently (i.e. without the need to be a salaried employee in a strict sense) therefore providing for an exception to national legislation on project work and "employer-organised freelance work";
- simplifying and streamlining the rules to access economic incentives to support research;
- setting up "a register for researchers" at the Ministry of Labour and Social Policies to be linked with an online employment database for monitoring and transparency purposes, in order to identify the necessary elements to define researchers' work and training experience.

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<sup>5</sup> Draft Bill - *Acknowledging and Promoting Research Work in the Private Sector*, see ADAPT International Bulletin, <http://adapt.it/englishbulletin/wp/the-reasons-for-a-law-to-acknowledge-and-promote-research-work-in-the-private-sector/>.

The promotion of researchers' mobility is also an issue. On the one hand, geographical mobility should be encouraged, especially within Europe, through the establishment of recognised profiles based on the European Qualification Framework and to the multilingual classification of European Skills, Competences, Qualifications and Occupations (ESCO). At a European level, actions should also be taken to address certain shortcomings in all the Member States related to the definition of a common profile and researchers' recruiting paths that describe the state of art of researchers' work in the private sector and define their most relevant skills.

On the other hand, moving between jobs and the resulting occupational transitions, also at a national level, constitute yet another challenge particularly for adult researchers, because of a lack of adequate mechanisms for transferring and acknowledging the skills they developed. Conversely, enabling researchers to move to other institutions (either scientific, national or international ones) or from academia to industry and vice versa is crucial to promote successful research careers and facilitate knowledge and innovation transfer.

Recognition of researcher status should be considered also by public institutions and universities and all those public and private bodies carrying out research work. This could give experienced researcher coming from the private sector the opportunity to share their knowledge and to act as mentors for young researchers undergoing training.

Drawing on the "intersectoral mobility" perspective, which fosters the mobility of researchers from one sector to another<sup>6</sup>, special attention should be paid to the establishment of knowledge networks, technological poles, and innovation districts. It is crucial to develop knowledge networks, technological poles, innovation districts and all the forms of aggregation of economic, physical, and networking assets, which should be combined with a supportive, risk-taking culture to create innovative contexts, which are widespread in USA and often involve SMEs<sup>7</sup>. Therefore, talent and technology appear to be the twin drivers of innovation and highlight the importance of those workers with special skills and education necessary to generate new ideas, manufacture new products, services or production methods, and sell them on markets.

Several barriers seem to persist to develop these experiences, not only related to physical, structural, technological aspects, but also to the low mobility of

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<sup>6</sup> Karen Vandeveld, *Report from the 2014 ERAC mutual learning workshop on Human Resources and Mobility*, Brussels, March 26, 2014.

<sup>7</sup> Katz B., Wagner J. (2014), *The Rise of Innovation Districts: A New Geography of Innovation in America*, Brookings – Metropolitan Policy Program, May 2014.

researchers and the absence of adequate linkages between companies and institutions with a possible role in the innovation process.

To conclude, while several programmes and interventions promoted in this field have paid attention to modernising training and educational paths for researchers (by promoting work-based doctoral programmes and university-industry cooperation programmes)<sup>8</sup>, much must be done to promote researchers' professional recognition and working conditions. Aspects like mobility initiatives targeting adult researchers, their skills formation and recognition, the opportunity to move from industry to academia at different stages of one's career, the appreciation of industrial experience when recruiting staff in academic positions, the possibility of joint responsibilities (shared between industry and academia) with respect to the training and preservation of human capital, research work organisation in line with economic and social challenges, have not been properly dealt with at the institutional and scientific level.

With a view of ensuring acknowledgment of this professional category, it is necessary to put in place a modern legal and industrial relations system that will help to appreciate the work of these professionals and to ensure them adequate contractual arrangements, while also assessing and offsetting their different levels of productivity.

From a systemic perspective, academia-industry mobility of researchers deserves better attention (e.g. by strengthening researchers' education and university-industry linkages). This will help, on the one hand, to address researchers' professional recognition at the end of training and when accessing the labour market; on the other hand, to better clarify the nature and organisation of research work in the academic and private sector so as to remove the persisting barriers hampering cooperation."

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<sup>8</sup> Not only at a national level: If we look at European Commission (2006), *Mobility of Researchers between Academia and Industry. 12 Practical Recommendations*, half of the number of recommendations concern training for researchers.